

**Summary**

The development of MEDALLION, Virginia Medicaid's Primary Care Case Management program (PCCM), began in 1991. On December 23, 1991, Centers for Medicare and Medicaid Services, granted a 1915(b) waiver for MEDALLION to improve Medicaid enrollees' quality of care and to assist in controlling the Commonwealth's escalating health care costs. CMS authority specifically waived sections 1902(a)(1), 1902(a)(10), and 1902(a)(23) of the Act, allowing the establishment of the MEDALLION program. MEDALLION enrolls Low Income Families with Children (LIFC), typically children and a single parent, usually the mother, as well as aged, blind, and disabled individuals.

One of the major directions of MEDALLION was to change the way recipients and providers view Medicaid enrollees. Because MEDALLION introduced the concept of a Primary Care Physician (PCP) in Medicaid, the designers of the program wanted to accustom recipients to being "clients" and to introduce the concept of seeking referrals. As a result, MEDALLION produces better medical outcomes and promotes the physician/patient relationship, preventive care, and patient education, while reducing the inappropriate use of medical services.

Overall, the MEDALLION concept allows individuals to enjoy a "medical home" for health care management and the PCPs the ability to manage their clients. Primary care providers who elect to participate in MEDALLION receive their usual fee-for-service they provide and in addition receive a \$3.00 per member, per month case management fee for all clients enrolled with them irrespective of actual care provided.

The following chart outlines the milestones under the MEDALLION program.

<b>Milestones</b>	December, 1991	CMS approved the MEDALLION waiver for establishment of 4 pilot sites effective 1-1-92 through 12-31-93.
	March, 1992	Martinsville/Henry County pilot established.
	August, 1992	Richmond (eastern part only) pilot established. All four pilots "up" with 32,600 clients enrolled.
	January, 1993	CMS granted waiver authority effective January 1, 1993 for the MEDALLION program to be phased-in statewide.
	Summer, 1994	Northern Virginia brought into program. 230,000 clients enrolled.
	July, 1995	Expansion initiated to 50,000 aged, blind, and disabled recipients.
	January, 1996	Due to the implementation of Medallion II, MEDALLION enrollment decreased to approximately 200,000 individuals.
	July, 2001	Enrollment was at 142,275.
	December, 2001	Program operates concurrently with MMII in 33 regions, MEDALLION enrollment decreases to 57,000 recipients.

Continued

**MEDALLION WAIVER:  
VIRGINIA MEDICAID'S PRIMARY CARE CASE MANAGEMENT PROGRAM (Continued)**

Page 12-36

**Services** Primary Care Services Covered Include:

Physician services  
Pharmacy services  
Hospital Inpatient services  
Hospital Outpatient services  
Laboratory and Radiology services  
Home Health services  
Ambulatory Surgical Center services  
Rural Health Clinic services

Services Not Subject to Prior Authorization Include:

Dental services  
Emergency services  
Mental Health/Mental Retardation services  
Psychiatry services  
Ophthalmology services  
Obstetrical and Gynecological services  
Family Planning Services  
Annual or Routine Vision Examinations

**Primary Care Providers** The PCP acts as a gatekeeper, providing or coordinating the medical needs of the client. The PCP is the first contact for care with coverage 7-day/week, 24-hour/day. The PCP assumes a longitudinal responsibility for their clients' health and illness and coordinates the use of the health care system, especially visits to specialists.

Monthly Enrollment by Fiscal Year	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
July	5,084	43,159	117,593	174,147	186,788	182,138	195,246	142,496	138,703	134,920	71,897	77,902	88,742	72,379
August	14,721	45,744	158,564	176,168	184,347	180,541	189,653	142,241	127,828	135,011	72,139	80,096	87,825	70,575
September	13,572	54,763	149,210	181,480	185,067	180,248	190,258	140,731	127,061	137,275	74,060	82,541	87,272	68,925
October	12,745	83,352	174,177	212,624	183,194	176,858	190,804	140,569	124,606	137,069	75,063	83,898	87,189	61,536
November	14,432	71,266	177,752	212,493	184,079	168,698	189,082	139,061	129,210	46,220	77,368	84,546	87,430	60,879
December	25,326	116,473	181,082	209,604	183,966	185,353	188,493	140,037	133,768	56,837	78,221	85,268	89,385	60,883
January	28,038	123,426	188,024	178,839	182,887	186,870	183,626	140,438	136,067	63,654	77,915	87,203	86,217	59,269
February	30,731	129,733	189,224	180,933	182,618	195,249	189,706	138,405	136,960	67,174	79,687	88,291	84,555	59,936
March	31,335	108,312	185,579	189,099	185,729	195,149	188,034	139,397	134,928	69,387	80,432	88,911	87,120	60,817
April	38,747	111,704	184,283	186,600	183,934	195,203	142,014	139,096	135,402	71,066	80,477	83,908	88,104	56,697
May	43,039	117,902	173,221	188,323	185,566	195,734	142,005	139,338	135,011	71,012	81,238	89,469	87,376	60,192
June	45,540	120,805	178,037	188,479	185,122	195,246	142,147	138,314	138,057	72,435	81,542	88,742	86,017	60,192
Average	25,276	93,887	171,396	189,899	184,441	186,441	177,589	140,010	133,133	88,505	77,503	85,065	87,269	62,771

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**Summary**

The Medallion II Program was authorized by the 1995 General Assembly. It received approval from the Centers for Medicare and Medicaid Services (CMS), in the form of a 1915(b) waiver in 1995. Medallion II takes the implementation of managed care in Virginia one step further by requiring mandatory enrollment in managed care organizations for most Medicaid clients. The main exceptions are long-term care recipients, those recipients enrolled in separate home and community-based care waiver programs, and those individuals with other insurance coverage, including Medicare. The emphasis of the program is to provide access for preventive and coordinated care.

All enrolled clients can choose between several Managed Care Organizations (MCOs), or one participating MCO with the MEDALLION program in their locality. Clients who do not make a choice are assigned to an MCO. To ensure high quality care and adequate access, Virginia tracks the care provided through compliance and quality improvement programs initiated by DMAS, and through contracts with external quality review organizations. Rates paid to MCOs are determined by a national accredited firm utilizing data and trends.

Most Virginia Medicaid health plans have national quality accreditation. The plans have increased provider access, improved health services, and reduced costs. The Department monitors the plans through internal compliance. The program has been evaluated and participated in numerous studies through an independent External Quality Review Organization (EQRO). These studies have indicated that the program has increased provider access, has high patient satisfaction, and has improved health outcomes.

The Medallion II program has been successful in enhancing access and availability of care by requiring MCOs to maintain an adequate network of physicians, hospitals, ancillary, transportation, and specialty providers. The program has promoted enrollee services and preventive care services, as well as the continuity and appropriateness of care. The MCOs provide extensive new member services including 24-hour nurse advice lines, as well as other enhanced services (e.g., pre-natal programs, case management services, and, group and individualized health education not offered under traditional Medicaid).

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**MEDALLION II WAIVER:  
VIRGINIA MEDICAID'S PRIMARY CARE CASE MANAGEMENT PROGRAM (Continued)**

Page 12-38

<b>Milestones</b>	January, 1996	Medallion II began January 1, 1996 covering managed care recipients in 7 Tidewater localities.
	November, 1997	Medallion II expanded to an additional 6 cities/counties adjacent to Tidewater.
	April, 1999	Medallion II expanded to an additional 33 cities/counties in Central Virginia to include Richmond, Hopewell, Petersburg, and their surrounding counties.
	October, 2000	Medallion II expanded to Areas Adjacent to Central Virginia, including the City of Fredericksburg and Mecklenburg County.
	December, 2001	Medallion II expanded into 48 localities including the areas of Danville, Roanoke, Charlottesville, and Northern Virginia. Medallion II operates in 103 localities and has approximately 243,000 Medicaid enrollees.
	September 2005	Upon the implementation of a new managed care organization, Medallion II expanded into 10 northern Virginia localities. Northern Virginia now has two managed care organizations delivering Medicaid services to approximately 68,000 eligible enrollees.
	December 2005	Medallion II expanded into 7 localities which encompass northwestern Virginia area of Winchester and surrounding counties.

**Monthly Enrollment by Fiscal Year**

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
July	94,599	85,439	89,712	149,697	142,275	156,847	237,419	262,961	306,959	336,272
August	94,815	85,064	89,433	150,140	141,512	157,686	237,997	275,406	305,340	335,077
September	94,365	83,942	89,210	149,415	140,367	157,469	245,293	277,343	307,032	359,751
October	93,307	82,462	85,270	149,794	148,989	158,408	237,453	281,259	311,761	361,351
November	93,613	89,964	84,933	149,686	154,631	159,372	240,385	287,532	315,616	363,531
December	90,542	89,989	86,156	149,474	156,552	178,665	242,870	287,966	321,070	377,826
January	64,628	89,772	86,984	150,112	157,628	238,656	249,475	291,919	327,532	382,206
February	69,499	89,015	86,431	151,036	157,426	238,937	252,478	299,093	331,977	385,813
March	86,699	88,756	86,509	150,731	156,860	235,023	253,832	300,974	328,789	383,004
April	85,815	89,271	145,264	150,203	156,934	233,782	253,868	302,700	335,615	382,410
May	85,743	89,271	147,134	145,295	156,288	235,235	256,843	304,512	335,684	383,880
June	86,205	89,712	150,067	142,355	156,072	238,131	258,678	308,024	335,414	383,092
Average	86,653	87,721	102,259	148,995	152,128	199,018	247,216	289,974	321,899	369,518